

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 229418
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 L-03 CIAE-00 COME-00 DODE-00
DOTE-00 FMC-01 INR-07 NSAE-00 CG-00 DLOS-09
OES-07 FEA-01 NSC-05 H-01 AID-05 CEA-01 EA-10
FRB-03 IO-13 NEA-10 USIA-06 OPIC-03 SP-02 TRSE-00
LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 /129 R

DRAFTED BY EB/TCA/MA:CTAYLOR, JR.:EW
APPROVED BY EB/TCA/MA:CTAYLOR, JR.
EUR/RPE - PLAASE
L/EB - JRCROOK

-----008371 241057Z /10

R 231801Z SEP 77
FM SECSTATE WASHDC
TO AMEMBASSY PARIS
INFO AMEMBASSY BRUSSELS

LIMITED OFFICIAL USE STATE 229418

PARIS FOR USOECD, ATTN.: MARTIN FORRESTER

E.O. 11652:N/A

TAGS:EWWT

SUBJECT:OIL CARGO PREFERENCE

REF: A) PARIS 25315, B) STATE 158188

1. REF B PROVIDES DETAILS OF LEGISLATION ADMINISTRATION
SUPPORTS. FOLLOWING IS ITS CURRENT STATUS IN CONGRESS.
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE HAS REPORTED
OUT AMENDED VERSION OF H.R.1037 WHICH INCORPORATES ADMINIS-
TRATION'S REDUCED PERCENTAGES, BUT FULL HOUSE OF REPRESENTA-
TIVES HAS NOT YET VOTED ON BILL. SENATE COMMERCE COMMITTEE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 229418

HAS HELD HEARINGS ON BILL (KNOWN AS S.61 IN SENATE) AND
WILL HOLD FURTHER HEARINGS OCT. 5. THE COMMITTEE IS
EXPECTED TO ACCEPT ADMINISTRATION'S PERCENTAGE CHANGES.

2. FOLLOWING ARE TALKING POINTS DEPARTMENT CURRENTLY USING:
---REPRESENTATIONS MADE BY FOREIGN GOVERNMENTS WERE CARE-
FULLY CONSIDERED BY ADMINISTRATION AND WERE A FACTOR IN

THE DECISION TO SUPPORT PERCENTAGES SUBSTANTIALLY LOWER THAN THOSE ORIGINALLY PROPOSED IN CONGRESS. BECAUSE OF DOMESTIC EMPLOYMENT CONSIDERATIONS, HOWEVER, IT WAS CONSIDERED NECESSARY TO SUPPORT LIMITED CARGO PREFERENCE.

---GIVEN CURRENT PROJECTIONS OF U.S. OIL IMPORT LEVELS AND OF OTHER DEMANDS FOR U.S.-FLAG TANKER TONNAGE, THE PROPOSED LEVEL OF CARGO PREFERENCE SHOULD NOT GENERATE A DEMAND FOR SUBSTANTIAL NEW U.S. TANKER TONNAGE BEFORE THE MID-1980'S AND HENCE SHOULD NOT ADVERSELY AFFECT THE CURRENT WORLD TANKER SURPLUS.

---ALTHOUGH CONCERN HAS BEEN EXPRESSED THAT THE RELATIVELY SMALL PERCENTAGE OF CARRIAGE RESERVED TO U.S.-FLAG VESSELS MIGHT BE INCREASED IN THE FUTURE, THE LEGISLATION SUPPORTED BY THE ADMINISTRATION DOES NOT HAVE THIS INTENTION.

---(IF RAISED ONLY) THE QUESTION OF WHETHER OIL CARGO PREFERENCE REPRESENTS A TECHNICAL VIOLATION OF ANY TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION (FCN) WOULD HAVE TO BE ADDRESSED IN THE LIGHT OF THE PARTICULAR CASE. USG WILL SEEK TO ASSURE THAT IMPLEMENTATION OF OIL CARGO PREFERENCE DOES NOT LEAD TO SIGNIFICANT DISRUPTION OF ANY COUNTRY'S MARITIME COMMERCE; HENCE, WE DON'T ANTICIPATE THAT OIL CARGO PREFERENCE WILL MATERIALLY INJURE OR AFFECT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 229418

ANY OF OUR FCN TREATY PARTNERS.

---OIL CARGO PREFERENCE IS NOT YET A FAIT ACCOMPLI. THE LEGISLATION MUST STILL BE ENACTED BY BOTH HOUSES OF CONGRESS. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OILS, CARGO, PETROLEUM, POLICIES
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE229418
Document Source: CORE
Document Unique ID: 00
Drafter: CTAYLOR, JR.:EW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770348-0392
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770927/aaaaawra.tel
Line Count: 99
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 68e5cc3e-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 PARIS 25315, 77 STATE 158188
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1150081
Secure: OPEN
Status: NATIVE
Subject: OIL CARGO PREFERENCE
TAGS: EWWT, US
To: PARIS
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/68e5cc3e-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009